

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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SECRET
SECURITY INFORMATION

COUNTRY	Korea	REPORT NO.	25X1A
SUBJECT	Haeju Branch Bank	DATE DISTR.	27 March 1953
DATE OF INFO.	[REDACTED]	NO. OF PAGES	1
PLACE ACQUIRED	[REDACTED]	REQUIREMENT NO.	RD
		REFERENCES	367

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
THE APPRAISAL OF CONTENT IS TENTATIVE.
(FOR KEY SEE REVERSE)

SOURCE:	25X1X
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1. On 17 November 1952 the Haeju (N 38-08, E 125-42) (YC-3713) Branch of the Central Bank of North Korea had instituted measures aimed at the reduction of the amount of currency in circulation. These control measures included the reduction of financial advances to government agencies and the encouragement of both government and private agencies to deposit idle funds. In this way the Haeju Branch Bank was accumulating, after routine disbursements had been made, a monthly surplus of 20,000,000 North Korean Won. The Haeju Branch was forwarding this monthly surplus to the Central Bank, thereby reducing appreciably the amount of currency in circulation in the Haeju area.
2. The Haeju Branch, like other regional banks in North Korea, was serving on the local level as an agent of the Central Bank of North Korea. The Central Bank, in turn, was acting as the administrative organ, executing through its member banks the fiscal policies and regulations instituted by the National Planning Board. Each regional bank, in addition to its administrative function, was responsible for making disbursements to all government agencies in the area, and for the collection from these agencies of all funds secured by taxation. Excess funds held by any branch after routine disbursements had been made were forwarded with the proper accountings to the Central Bank.

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SECRET
SECURITY INFORMATION

COUNTRY	Korea	REPORT NO.	25X1A
SUBJECT	Taxes-in-Kind Regulations in North Korea	DATE DISTR.	27 March 1953
	25X1A	NO. OF PAGES	2
DATE OF INFO.		REQUIREMENT NO.	RD
PLACE ACQUIRED		REFERENCES	

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(FOR KEY SEE REVERSE)

SOURCE:

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1. On 10 November 1952 the North Korean cabinet released Public Notice Number 161 concerning the payment of taxes-in-kind.¹ This order contained the following regulations:
 - a. All barley which had been loaned to farmers in July 1952 was to be paid back with rice out of the fall crops by the end of December 1952. However, families with members in the North Korean army were to be exempt from this regulation.
 - b. Families with members in the North Korean army who harvested 180 kilograms or less were to be exempt from taxes-in-kind.²
 - c. Taxes-in-kind which had already been collected in any manner contrary to Public Notice Number 161 were to be returned to the persons concerned.
 - d. County and sub-county government offices were to determine the date of collection and the amount to be collected, and were to carry out the order in the manner stipulated by the order from the national government.
2. On 12 November 1952 the North Korean cabinet released Public Notice Number 186. This order contained the following regulations:
 - a. The North Korean government requested the full support of all farmers in the reconstruction of the country. Since the greatest need was for funds, and since skilled workers and office workers had voluntarily subscribed 1 percent of their earnings toward the rehabilitation program, the government asked that the farmers do their share by contributing rice.
 - b. Farmers were directed to deliver one-half of 1 percent of their total crops toward the rehabilitation program.

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c. Families of North Korean servicemen whose crops amounted to less than 360 kilograms of rice were to be exempt from this contribution.

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Comments

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1. [redacted] from a different source stated that the tax revision order was released in mid-September and reported the regulations included in that order with some variations from the present report.

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2. [redacted] indicated that the 180-kilogram figure was to apply to each member of the farmer's family, and also that the regulations of the order were to apply in 1953.

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